



AUDIT COMMITTEE REPORT

2022



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1. Audit Committee

The Audit Committee is a committee of the Company's Board of Directors, which is established by its decision. It consists of three (3) non-executive members of the Board of Directors, of which at least two (2) are independent and meet the criteria set by Law 4449/2017, combined with Law 4706/2020, and have sufficient knowledge of the field in which the Company operates. At least one of its members, who is independent and has sufficient knowledge and experience in auditing or accounting, must attend the meetings of the Audit Committee relating to the approval of the financial statements. The term of office of the members of the Audit Committee coincides with the term of office of the Board of Directors.

The Chairman of the Audit Committee is appointed by its members at the meeting at which the Committee is constituted into a body and is independent, in the sense that he meets the criteria of independence as defined in the Law and has the required expertise and experience to supervise the audits, accounting and financial policies and procedures that fall within the responsibilities of the Committee. The term of office of the members of the Committee is three years (3 years).

A. Staffing

The composition of the Audit Committee, established in accordance with the General Assembly 04/07/2019 and whose term of office lasted until 15/07/2020, is as follows:

- I. Eleni Zenakou, Chairman AC [Independent non-executive member of the Board of Directors].
- II. ii. Konstantinos Drivas, A.C. Member [Independent, non-Executive Member of the Board] and
- III. iii. Vassilios Mikas, A.C. Member [Independent non-executive member of the Board].

B. Responsibilities

The main mission of the Audit Committee is to assist the Board of Directors in the performance of its duties, overseeing the financial reporting procedures, the completeness and correctness of the financial statements, the policies and the Internal Audit system of the Company as well as the evaluation of its effectiveness and efficiency, the auditing function of the work of the Internal Audit Unit and the External Auditors, with a view to ensuring the independence, quality, qualifications and performance of auditors.

The Audit Committee, while maintaining the full responsibility of the members of the Board of Directors for the following issues, has indicatively the following informative and supervisory responsibilities according to article 44 par. 3 of the L. 4449/2017:

- It is responsible for the selection process of Certified Public Accountants or Audit firms and proposes the Certified Public Accountants or audit firms to be appointed, as well as their remuneration.
- It reviews and monitors the independence of the Certified Public Accountants or Auditing Firms, as well as the appropriateness of their provision of non-auditing services to the Company.
- Monitors the statutory audit of the Annual Financial Statements and its performance, considering any findings and conclusions of the competent authority, in accordance with paragraph 6 of Article 26 of Regulation (EU) No 537/2014.
- It considers and examines the most important issues and risks that may have an impact on the Company's financial statements. In this context, it examines and evaluates indicatively the following:
 - the use of the continuing activity assumption
 - the significant judgments, assumptions and estimates during the preparation of the Financial Statements
 - the valuation of assets at fair value
 - the recoverability of assets
 - the accounting treatment of acquisitions
 - the competence of disclosures about the significant risks faced by the Company
 - significant transactions with related parties, and
 - significant unusual transactions
- Informs the Company's Board of Directors by submitting the relevant report on the result and the issues that arose from the external audit, explaining in detail: a) the contribution of the external regular financial audit to the quality and integrity of the financial information, i.e. the accuracy, completeness and correctness of the financial information, including the relevant disclosures, approved by the Board of Directors and made public and b) the role of the Committee in the above procedure under (a) (a), i.e. recording the actions it has taken during the process of conducting the regular financial audit. In the context of the above briefing of the Board of Directors, the Audit Committee shall consider the content of the supplementary report, which shall be submitted to it by the Certified Auditor, and which shall contain the results of the audit carried out and shall meet at least the requirements of Article 11 of Regulation (EU) No. 537/2014.
- Monitors, examines, and evaluates the process of compiling the financial information, i.e., the mechanisms and systems of production, the flow and dissemination of financial information produced by the company's organizational units involved. The above actions include any information disclosed in relation to the Company's financial information, in addition to the financial statements that are published (e.g., Stock exchange announcements, press releases). In this context, the Audit Committee

informs the Board of Directors of its findings and submits recommendations or proposals to improve the process and ensure its integrity, if deemed appropriate.

- Monitors, examines, and evaluates the Competence and effectiveness of all the Company's political procedures and safeguards, regarding, on the one hand, the Internal Audit System, on the other hand, the assessment, quality assurance and risk management of the Company in relation to financial reporting. Regarding the internal audit function, the Audit Committee monitors and inspects the proper operation and staffing of its Internal Audit Unit, in accordance with professional standards, as well as the applicable legal and regulatory framework and evaluates its work, Competence and effectiveness, without violating its independence. The Audit Committee also reviews the information published regarding the internal audit and the main risks and uncertainties of the Company, in relation to financial reporting. In this context, the Audit Committee Regulation of the Audit Committee 7 out of 9 informs the Board of Directors of its findings and submits recommendations or proposals to improve the process and ensure its integrity, if deemed appropriate.
- The Audit Committee proposes to the Board of Directors of the Company the Head of the Internal Audit Unit in accordance with article 15 par.2 of Law 4706/2020.
- Submits an Annual Report of its activities to the shareholders at the Annual General Meeting.
- Reviews this Regulation at least every two (2) years and proposes to the Board of Directors of the Company its amendment, if necessary.

2. Procedures

A. Internal Audit

The Committee, within the framework of its responsibilities as defined by the relevant legislation and the Committee's Rules of Procedure, according to which it meets at least once a quarter, shall draw its conclusions for the financial year 2022 in this Report.

As shown in Annex A', which presents the agenda items per meeting, the Committee for the period referred to has monitored, examined and assessed (a) the important issues and risks that may have had an impact on the Company's financial statements and the financial reporting process, (b) the Competence and effectiveness of all policies , procedures and safeguards of the Company, regarding, on the one hand, the internal audit system, on the other hand, the assessment, quality assurance and risk management of the Company in relation to financial information and (c) any other relevant matter relating to the internal organization and operation of the Company.

According to the quarterly basis Internal Audit Reports prepared by the Internal Auditor, Mr. Frangkiskos Gonidakis, the operational needs of the company are fully covered, and its interests are safeguarded, without the existence of significant risks.

B. Recruitment procedure of certified auditors accountants – audit firms

In the minutes of the 17th May 2022 of the Audit Committee is mentioned that, “According to the regulation of operation of the Audit Committee, as well as the Law 4474/2014 article 44, the Committee is responsible for the selection procedure of certified auditors accountants or audit firms and proposes the certified auditors accountants or the audit firms which will be appointed in accordance with the article 16 of the Regulation (EU) no. 537/2014, unless there is no enforcement of the par. 8 of the article 16 of the Regulation (EU) no. 537/2014.”

According to this, the Committee sent letters asking for a tender to be submitted for the conduct of the ordinary audit of the use 2022, the supervision of the interim financial statements and for the granting of a tax compliance report, to several companies.

In evaluating the tenders received, the Committee decided unanimously and proposed the selection of Ernst & Young Greece S.A. (hereafter EY) to conduct the ordinary audit of the use 2022, the review of the interim financial statements and for the granting of the tax compliance report. In order to conduct the above audits EY proposes the Certified Accountants, Mrrs Konstantinos Tsekas of Socrates, and Reg. no. 19421 of the Institute of Certified Auditors Accountants and Andreas Chatzidamianos of Georgios Reg. No. ICAA 61391, as Ordinary Auditors and Mrrs Nikolaos Ntiptsis of Konstantinos and ICAA Reg. No. 27341 and Vassilios Kaplanis of Panagiotis ICAA Reg. Associat19321 as Substitute Auditors.

C. Assessment of Internal Audit

The Committee, within the framework of its responsibilities, with a view to further upgrading the Internal Audit of the Company and with a view to the introduction of new corporate governance standards, in its minutes of 17 of 20 February 2020 decided to introduce standards for the evaluation of the internal auditors concerned. In particular, it was decided to introduce the International Standards for the Professional Application of Internal Audit of the Institute of Internal Auditors & the Institute of Internal Auditors of Greece.

Consequently, the Audit Committee according to the minutes 49 pf the 15 March 2023, assessed the Company's internal audit for 2022 and unanimously found “General Compliance” with International Standards. The relevant internal audit assessment form of the Company is attached to Annex B.

According to the number 1/891/30.9.2020 decision of the Board of Directors of the Capital Market Commission, as this was amended with the number 2/917/17.6.2021 decision of the same body, until the 31/3/2023 the first Independent Assessment of the IAS. According to the Company’s Regulation of Operation, combined with the Assessment Policy of the IAS, the article 14 of L. 4706/2020 and the as above-mentioned decisions of the Capital Market Commission, the Audit Committee, in the context of its competences, as determined by its regulation of operation and, in accordance what is described in the relevant minutes of the Board of Directors related with the “procedure of proposal, selection, approval and final assignment of the IAS assessment” met, and checked carefully the “CEO Proposal related with

the drafting of Internal Audit System (IAS) Assessment Report” and introduced unanimously to the Board of Directors with the concurrent opinion of the CEO” for assignment of the drafting of the Internal Audit System Assessment Report to the company KPS Group, and then the Board of Directors decided unanimously the assignment of the drafting of the Internal Audit System Assessment Report to the company KPS Group. The BoD decided related with the “Object and Breadth of the Internal Audit System Assessment” that “there is no significant subsidiary for the Company”, and in order to make the assessment of the competence of the IAS It must be carried out in accordance with the International Audit Standards, the Context of the International Professional Standards for Internal Audit, and the Context of Internal Audit System of the COSO Committee (COSO: Internal Control Integrated Framework). The assessment of the internal audit System (IAS) had as its object the assessment of competence and effectiveness of the financial information of the Company, regarding risk management and the regulatory compliance, according to recognized standards of assessment and internal audit, as well as the application of the provisions on corporate governance of the L. 4706/2020 The Assessor of the IAS following the completion of the assessment (i.e., the 31.12.2022) he submitted a Report of assessment results, which included summary of his remarks as well as analysis thereof, the time of drafting of such, the reference date of the assessment (i.e., 31.12.202) and the period covered by the assessment Report (that is in this case from 17.07.2021 up to and including 31.12.2022). He stated that anything that could be considered as material weakness of the Company’s IAS didn’t come to his awareness, according to the Regulatory Framework. He mentioned that from the work conducted resulted findings which were deemed as non-material weaknesses, but these were recorded in unit C’ of the Assessment Report with a view to further improvement of the Company IAS and clarified that in the said unit are mentioned the findings, the risks and the consequences resulting from these as well as the response of the Company’s Administration to these, also including the relevant action plans, with clear and realistic time schedules. The BoD prepared the required Letter of Confirmations of the Administration related with the assessment work of the competence and effectiveness of the Internal Audit System to send it to the Assessor.

We note that the Company with the BoD Minutes 82 approved the “CODE OF BEHAVIOUR AND ETCHIS”

D. Audit of the financial statements

In the context of its competences the Audit Committee of ADMIE Holding S.A. in collaboration with Chartered Auditors Company Ernst & Young Greece SA (hereinafter EY), conducted the audit of financial statements of ADMIE Holding S.A. for the use ended on the 31st December 2022 according to the obligation of the article 11 of the Regulation (EU) no. 537/2014 and the IAS 260 and 265.

EY state that they are independent as an audit company and as audit group from the Company according to the Code of Professional Conduct of the International Federation of Accountants (Regulator Act NSAAAS 004/2017, GGI B’ 3916/7.11.2017) as well as according to all relevant provisioned from the Directive 2014/56/EU and the Regulation (EU) no. 537/2014 of the European Parliament and of the Council and the L. 4449/2017, providing also other necessary statements of independence.

The frequency of communication of the Audit Committee with EY was based on the audit requirements of the financial statements and the needs for our information. During the audit there were three meetings that took place, in order for the results to be presented to the Committee.

According to the methodology of the EY, the annual audit of the Company's financial statements was completed in three phases: a) the design of the audit and the risk assessment, b) the reactions to the identified risks and c) the evaluation of the audit evidence and the drafting of the audit report.

Based on the Supplementary Report, which was delivered to the Audit Committee, EY stated that:

- The most important audit issue that we have recognized and has been included in the Audit Report is the "Valuation and accounting making of the participation of ADMIE S.A. using the method of net position".

The audit procedures which, inter alia, we conducted were the following:

-We examined and evaluated the information and the data used by the administration related with the evaluation of the "joint audit" and the measurement of the investment in the financial statements using the net position method, applying the instructions of the ISFA 11 and the IAS 28.

-Based on the audited consolidated financial statements of ADMIE S.A. for the use ended on the 31/12/2022, we recalculated the company share, which was recognized in the profit and loss statement and the amount recognized in the other total income for the use ended on the 31/12/2022.

-We assessed the estimation of the Administration related with the finding of any reduction indications.

-We assessed the competence and the suitability of the disclosure in the notes 2.4, 2.5 and 4 of the financial statements.

- "As every year, and or the reference date 31/12/2022, the Company has proceeded with estimation of the indications of reduction in the participation of the company ADMIE S.A. and concludes that there is no reason conducive to the reduction of its participation."
- "The analysis of the Company on material accounting issues is suitable".
- "From the audit procedures we have conducted, up to and including the date of this presentation, no material error has come up".
- "The methods of valuation shown in the different items of the company financial statements are suitable."
- "No issues were identified that involve noncompliance of the Company with laws and regulations."
- "There are no developments in the ISFA that would affect significantly the Company."
- "A written confirmation was requested by the Administration that it has not been briefed regarding the existence of new contracts between the shareholders of the Company which may affect the accounting handling followed and described in the financial statements regarding the investment of ADMIE S.A. "
- "All identified and non-corrected errors, greater than €380,125 are notified to you."
- "The Audit Committee (art. 44 L. 4449/2017) is responsible for the supervision of the

procedure of financial reporting of the Company.”

- “We don’t know cases of fraud and illegal action in which any senior executive members are involved.”

Also, the Audit Committee confirmed that in accordance with the article 21 of law. 4706/2020 the chartered auditor- accountant or the audit company confirmed in the Audit Report that the Company has an updated operation regulation with the provisioned contents, according to the article 14 of the law as well as sufficient procedure for the production of financial information.

3. Conclusion

Considering the conclusion of the Chartered Auditors – Accountants, the Audit Committee did not identify errors, misdeeds or/and irregularities, which could have been avoided at the responsibility of the Administration. Furthermore, there were no significant errors found, which should have been corrected by the Company’s Administration, issues involving the non-compliance of the company with laws and regulations and cases of identified or possible fraud that were found during the audit of the financial statements of the Company.

Additionally, in examining and assessing (a) the significant ones and the risks that may have had an effect on the financial statements of the Company and the procedure of preparing of the financial information, (b) the competence and effectiveness of the entirety of the policies, procedures and safety measures of the Company regarding on the one hand the internal audit system and on the other the assessment, the quality assurance and the risk management of the Company regarding the financial reporting and (c) any other relevant issue involving the internal organization and operation of the Company, as well as the quarterly Internal Audit Reports for the 4 quarters of 2022 the Audit Committee concluded that the operation needs of the business are fully covered and its interests are ensured without the existence of any significant risks.

The Audit Committee

The Chairperson

ELENI ZENAKOU

THE MEMBERS

VASSILIOS MIKAS

KONSTANTINOS DRIVAS

Appendix

A. Table of the topics in the agenda per meeting

The issues discussed by the Audit Committee for the year 2022, as well as in 2023 regarding the year 2022, until the approval of the annual financial statements by the Board of Directors, and are part of the Annual Report of its activities to the Company's shareholders during the Annual General Meeting are listed in the table below:

MEETING DATE	AGENDA
<u>At the beginning of the year 2022, the following issues were discussed by the Audit Committee and listed in the table below, which are related to the corporate year 2021, at which time they were also listed in the relevant table for the year 2021:</u>	
09/02/2022	<ul style="list-style-type: none"> • First (1st) meeting of the EU with the Chartered Auditors of EY, in the context of the preliminary phase of the audit for the Financial Year 01/01/2021-31/12/2021, where the Chartered Accountants developed institutional issues related to their work and presented their audit plan as INDEPENDENT CERTIFIED AUDITORS ACCOUNTANTS of "IPTO PARTICIPATION S.A."
08/03/2022	<ul style="list-style-type: none"> • Evaluation of the Internal Audit Report for the 4th quarter of 2021, where the committee unanimously decided that no material issue has arisen that violates the principles of good and legal operation of the Company • The 2022 Control Program was approved.
08/04/2022	<ul style="list-style-type: none"> • Meeting of the EU with the Certified Auditors of EY for the presentation of the Audit Report Plan of the INDEPENDENT CERTIFIED ACCOUNTANT for the control of the Financial Statements for the year ended 12/31/2021.
08/04/2022	<ul style="list-style-type: none"> • The Company's internal control for 2021 was evaluated and general compliance with the International Standards for the Professional Application of Internal Control of the Institute of Internal Auditors & the Institute of Internal Auditors of Greece was found. • The first draft of the 2021 AUDIT COMMITTEE ANNUAL REPORT was drafted.
14-04-2022	<ul style="list-style-type: none"> • Meeting of the EU with the Certified Auditors of EY for the presentation of the Supplementary Report of the INDEPENDENT CERTIFIED ACCOUNTANT for the audit of the Financial Statements for the year ended 12/31/2021. • Approval of the 2021 AUDIT COMMITTEE Annual REPORT for submission to the Board of Directors.

MEETING DATE	AGENDA
During the year 2022, the following issues related to the 2022 corporate year were discussed by the Audit Committee and listed in the table below:	
17/05/2022	<ul style="list-style-type: none"> Approval of sending letters to Audit Companies requesting a bid to be submitted for the regular audit of the 2022 financial year, for the review of the interim financial statements and for the granting of a tax compliance report.
30/05/2022	<ul style="list-style-type: none"> Evaluation of the Internal Audit Report for the 1st quarter of 2021, where the committee unanimously decided that no material matter has arisen that violates the principles of good and legal operation of the Company. He noted the reference you repeat in the Internal Auditor's Report on the Staffing of the Regulatory Compliance and Risk Management Units.
07/06/2022	<ul style="list-style-type: none"> Evaluation of the Audit Firms' offers. The Committee unanimously decided and recommended to the Board of Directors the selection of Ernst & Young Greece SA for the regular audit of the 2022 fiscal year, for the review of the interim financial statements and for the issuance of a tax compliance report. To carry out the above audits, Ernst & Young Greece SA proposes its Chartered Accountants, Mr. Konstantinos Chekas of Sokratis, and RN SOEL 19421 and Andreas Hatzidamianou of Georgios, and RN SOEL 61391, as Regular Auditors and of Mr. Nikolaou Diptsis of Konstantinos, and RN SOEL 27341 and Vasiliou Kaplanis of Panagiotis, and RN SOEL 19321, as Alternate Auditors.
31/08/2022	<ul style="list-style-type: none"> Evaluation of the Internal Audit Report for the 2nd quarter of 2022, where the committee unanimously decided that no material issue has arisen that violates the principles of good and legal operation of the Company. However, he pointed out as particularly positive the provision for the finalization and approval of the "Risk Registration Register".
23/09/2022	<ul style="list-style-type: none"> Presented by the Head of the Internal Control Unit "Risk Assessment" of the Company.
23/09/2022	<ul style="list-style-type: none"> The invited Chartered Accountants of EY who attended, Mr. Andreas Hatzidamianou and Mr. Kostas Tsekas, presented the results of the review they carried out on the Interim Condensed Financial Statements of the first half of 2022. The Audit Committee was satisfied with the conclusion of the Sworn Auditors' review that the Interim Condensed Corporate Financial Statement has been prepared, in all material respects, in accordance with IAS 34.
16/11/2022	<ul style="list-style-type: none"> Evaluation of the Internal Audit Report for the 3rd quarter of 2022, where the committee unanimously decided that no material issue has arisen that violates the principles of good and legal operation of the Company.

16/12/2022	<ul style="list-style-type: none"> • Submission by the Company's Regulatory Compliance Officer of the Annual Compliance Report for the year 2022, as well as approval by the Audit Committee of the Company's Regulatory Compliance Action Plan for the year 2023 submitted by the Company's Regulatory Compliance Officer. • Approval of the Table Audit Committee Proceedings for 2022.
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MEETING DATE	AGENDA
During the current year 2023, the following issues, which are directly related to the corporate year 2022, were discussed by the Audit Committee and listed in the table below:	
30/01/2023	<ul style="list-style-type: none"> • Evaluation of the Internal Audit Report for the 4th quarter of 2022, where the committee unanimously decided that no material issue has arisen that violates the principles of good and legal operation of the Company. He pointed out the following references of the Internal Auditor's Report: A) The "Risk Register" drawn up, in order to be finalized, must be approved by the Board of Directors. B) In the context of the "follow up of Human Resources Issues", it emerged that a new Contract for the Financial Service should be signed between PWC and ADMIE Holding that covers all the responsibilities referred to in the Company's Internal Operating Regulations. C) A reminder was made of the end of March 2023, as the Capital Market Commission's deadline for the "Internal Control System Assessment", after the assignment process to Independent Assessors has been completed.
07/02/2023	<ul style="list-style-type: none"> • The committee, within the framework of its responsibilities, as determined by its operating regulations, and in accordance with what is described in Minutes 83 of the Board of Directors regarding the "procedure of proposal, selection, approval and finally assignment of the evaluation of the SER" met, and carefully checked the "CEO's Recommendation regarding the preparation of the Internal Control System Evaluation Report (SER)" and unanimously recommended in agreement with the "CEO's Recommendation" to assign the preparation of the Internal Control System Evaluation Report to the KPS Group company.
07/03/2023	<ul style="list-style-type: none"> • First (1st) meeting of the EU with the Chartered Auditors of EY, in the context of the preliminary phase of the audit for the Financial Year 01/01/2022-31/12/2022, where the Chartered Accountants developed institutional issues related to their work and presented their audit plan as INDEPENDENT CERTIFIED ACCOUNTANTS of "IPTO PARTICIPATION SA". The members of the Audit Committee drew up a relevant text, with their positions regarding the issues raised by the INDEPENDENT CERTIFIED AUDITORS

	ACCOUNTANTS, answering extensively the questions they raised.
15/03/2023	<ul style="list-style-type: none"> The Company's internal audit for 2022 was assessed and found to be "General Compliance" with the International Standards for the Professional Application of Internal Audit of the Institute of Internal Auditors & the Institute of Internal Auditors of Greece. The 2023 Control Program was approved.
21/03/2023	<ul style="list-style-type: none"> Draft AUDIT COMMITTEE REPORT 2022 was approved.
28/03/2023	<ul style="list-style-type: none"> The Draft AUDIT COMMITTEE REPORT 2022 has been amended to include the year-beginning meetings, referring to the previous financial year. Internal Audit planning & evaluation of the ICS were discussed.
31/03/2023	<ul style="list-style-type: none"> According to the presentation of the Results of the project for the Evaluation of the adequacy and effectiveness of the Internal Control System of ADMIE HOLDING S.A., the Evaluator declares that he did not become aware of anything that could be considered as a material weakness of the Company's ICS, in accordance with the Regulatory Framework.
07/04/2023	<ul style="list-style-type: none"> Presentation of the Draft REPORT of the INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS for the audit of the Financial Statements for the year ended 31/12/2022.
11/04/2023	<ul style="list-style-type: none"> Presentation of the Supplementary REPORT of the INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS on the audit of the Financial Statements for the year ended 31/12/2022. Approval of the Annual AUDIT COMMITTEE REPORT 2022 for submission to the Board of Directors.

B. Evaluation of internal audit

EVALUATION OF INTERNAL AUDIT Of the company ADMIE Holding S.A.,

According to the International Standards for the Professional Application of Internal audit of the Institute of Internal Auditors & the Institute of Internal Auditors of Greece

Evaluator 1	Zenakou Eleni	Date:	15-03-2023
Evaluator 2	Mikas V.		15-03-2023
Evaluator 3	Drivas K.		15-03-2023

Legend:

	General Compliance with the International Standards for the Application of the Internal Audit
	Partial Compliance with the International Standards for the Application of the Internal Audit
	Non-Compliance with the International Standards for the Application of the Internal Audit

STANDARDS OF CHARACTERISTICS				
Number	Standard	Explanation:	Comments	Evaluation
1000	Purpose, Jurisdiction and Responsibility	The purpose, jurisdiction and responsibility of the internal audit operation must be officially defined in one, approved by the board, regulation of internal audit, according to the Internal Audit Mission and the mandatory details of the International Framework of Professional Application (the Fundamental Principles for the Professional Application of Internal Audit, the Ethics Code, the Standards and the Definition of Internal Audit). The Head of the internal audit must revise the internal audit regulation regularly and place it under the consideration of the Board and Senior Administration for approval.		
1010	Recognition of Mandatory Instructions of Internal Audit	The regulation of internal audit must clearly underline the mandatory nature of the Fundamental Principles for the Professional Application of the Internal Audit, the Ethics Code, the Standards, and the Definition of Internal Audit. The Head of internal audit is recommended that discusses the Internal Audit Mission and the mandatory details of the International Framework of Application with the senior administration and board.		
1100	Independence and Objectivity	The internal audit operation must be independent, and the internal auditors must be objective during the performance of their work.		
1110	Independence within the Organisation	The Head of the internal audit must submit reports in such level of command within the organisation that allows the internal audit operation to correspond to its responsibilities. The Head of the internal audit must confirm to the board, at least once annually, the independence of the operation of internal audit within the organisation.		

1111	Relationship with the Board	The Head of the internal audit must communicate and collaborate directly with the board.		
1112	The roles of the Head of internal audit beyond the Internal Audit	In the case where the Head of internal audit has or is expected to assume roles and duties beyond internal audit, some safety measures must be put in place such that they restrict the impeding of independence and objectivity.		
1120	Individual Objectivity	The internal auditors must maintain an unprejudiced unbiased stand and avoid conflicts of interests.		
1130	Obstruction of Independence and Objectivity	When the independence or the objectivity is obstructed, actually or seemingly, the details of the obstruction must be disclosed to the competent bodies. The nature of the disclosure shall depend upon the type of the obstruction.		
1200	Professional Competence and Due Professional Diligence	The tasks must be performed with professional competence and due professional diligence.		
1210	Professional Competence	The internal auditors must have the knowledge, the skills and the other capabilities required to fulfill their individual duties. The operation of the internal audit must be collectively in possession or to acquire the knowledge, the skills and the other capabilities required for the fulfillment of their obligations.		
1220	Due Professional Diligence	The internal auditors must apply the diligence and the skills of one reasonable, prudent and competent internal auditor. The due professional diligence does not imply being infallible.		
1230	Continuous Professional Education	The internal auditors must improve their knowledge, skills and other capabilities through continuous professional education		
1300	Quality Assurance and Improvement Program	The Head of Internal Audit should develop and maintain a program of assurance and quality improvement.		
1310	Requirements of the Assurance and Quality Improvement Programme	The assurance and quality improvement programme should include both internal and external evaluations.		
1311	Internal Evaluation	Internal evaluations should include: <ul style="list-style-type: none"> • Continuous monitoring of the performance of the internal audit function. 		

		<ul style="list-style-type: none"> Periodic self-assessment or evaluation from people within the organisation having sufficient knowledge of the internal audit practices. 		
1312	External Evaluations	<p>External evaluations must be carried out at least once every five years by a certified, independent evaluator or evaluation team outside the Organization. The Head of Internal Audit should discuss with the Board on:</p> <ul style="list-style-type: none"> The form and frequency of doing external evaluations. The qualifications and independence of the external evaluator or evaluation team, including possible conflicts of interest. 		
1320	Submission of a Report on the Quality Assurance and Improvement Programme	<p>The Head of Internal Audit shall communicate the results of the assurance and quality improvement programme to the Board. Notifications shall include:</p> <ul style="list-style-type: none"> The scope and frequency of both internal and external evaluations. The qualifications and independence of the evaluator or evaluation team, including conflicts of interest. The conclusions of the evaluators. Corrective action plans. 		
1321	Use of the phrase "Complies with International Standards for the Professional Application of Internal Audit"	<p>The indication that the internal audit function "complies with the International Standards for the Professional Application of Internal Audit" should only be carried out if this is supported by the results of the evaluation of the assurance and quality improvement programme.</p>		
1322	Disclosure of Non-Compliance	<p>In the event that non-compliance with the Code of Ethics or Standards affects the overall framework or activities of the internal audit function, then the Head of the internal audit must disclose the non-compliance to senior administration and to the board.</p>		

PERFORMANCE STANDARDS				
Code	Standard	Explanation	Comment	Evaluation
2000	Management of the Internal Audit Function	The Head of Internal Audit shall effectively manage the internal audit function to ensure that the function adds value to the organisation.		
2010	Programming	The Head of Internal Audit should draw S a programme of audits based on risk assessment to identify the priorities of the internal audit function, in accordance with the objectives of the Agency.		

2020	Notification and Approval	The Head of Internal Audit should communicate the planning for the internal audit function and resource requirements, including significant interim changes, to the senior management and the board for review and approval. The Head of Internal Audit should also communicate the impact of the resource constraint.		
2030	Resource Management	The Internal Audit Head shall ensure that internal audit resources are adequate, adequate, and effectively used to achieve the approved programme.		
2040	Policies and Procedures	The Head of Internal Audit should establish policies and procedures to guide the internal audit function.		
2050	Coordination and Invocation at work of other providers	The Head of Internal Audit is recommended to share information, coordinate activities, and consider invoking other internal and external providers of assurance and advisory services at work to ensure proper coverage and to minimise the overlapping of the efforts.		
2060	Submitting Report to the Board and to Senior Administration	The Head of the internal audit must periodically submit a report to senior administration and the board related with the purpose, the jurisdiction, the responsibility and the performance of the operation of internal audit in relation with the audit plan as well as with its compliance with the Code of Ethics and the Standards. The report must also include significant risks, mentioning also risks of fraud, as well as issues of governance audit mechanisms and other topics which need attention from senior administration and/or the board.		

2070	Provider of External Services and Organisation Responsibility for the Internal Audit	When an external agency provides services for the operation of the internal audit, it is obligated to point out to the organisation that the organisation is responsible for maintaining an effective activity of internal audit.		
2100	Nature of Works	The operation of internal audit must evaluate and contribute to the improvement of Governance, risk management and the audit procedures of the organisation by adopting a systematic, disciplined, and based on risk approach. The value and credibility of the internal audit are reinforced when the internal auditors act proactively and their assessments provide innovative ideas and consider future effects.		
2110	Governance	<p>The operation of the internal audit must evaluate and submit suitable proposals for the improvement of the governance procedure of the organisation related with:</p> <ul style="list-style-type: none"> • Making strategic and operational decisions • The supervision of risk management and audit mechanisms, • The promotion of proper ethical principles and values within the organisation, • Ensuring the effective management of the performance of the organisation and the accountability, • The disclosure of information related with the risks and the audit mechanisms toward the competent people within the organisation, • The coordination of activities and notice of information between the members of the board, the external and internal auditors, other providers assuring the administration. 		

2120	Risk Management	The internal audit function should assess the effectiveness of risk management procedures and contribute to their improvement.		
2130	Audit Mechanisms	The internal audit function should help the organisation maintain effective audit mechanisms, assessing their effectiveness and performance and promoting their continuous improvement.		
2200	Project Planning	The internal auditors should develop and reflect the design of each project, including the objectives, scope, timing, and allocation of resources. Planning should consider the organization's strategies, objectives and risks associated with the project.		
2201	Design Factors	<p>In the project planning process, internal auditors should consider:</p> <ul style="list-style-type: none"> • The strategies and objectives of the activity being reviewed and how the activity audits its performance. • The significant risks to activity, 		

2220	Project Scope	The specified scope of the project must be sufficient to achieve the objectives of the project.		
2230	Allocation of Resources to the Project	Internal auditors should determine the appropriate and sufficient resources necessary to achieve the objectives of the project, based on an assessment of the nature and complexity of each project, time constraints and available resources		
2240	Project Programme	Internal auditors must develop and schedule the project to achieve the objectives of the project.		
2300	Execution of the Project	Internal auditors must recognize, analyse, evaluate, and record sufficient information to achieve the objectives of the project.		
2310	Locating Information	Internal auditors must identify sufficient, reliable, relevant and useful information to achieve the objectives of the project.		
2320	Analysis and Evaluation	Internal auditors should base the conclusions and results of the projects on appropriate analyses and evaluations.		

2330	Recording Information	Internal auditors must record sufficient, reliable, relevant, and useful information to support project conclusions and results.		
2340	Project Monitoring	Projects should be adequately supervised to ensure that their objectives are achieved, quality assurance and human resources improved.		
2400	Notification of Results	Internal auditors must communicate the results of the projects.		

2410	Notification Criteria	Notifications should include the objectives, scope, and results of the project.		
2420	Quality of Notification	Notifications must be accurate, objective, clear, comprehensive, constructive, comprehensive, and timely.		
2421	Errors and Omissions	If a final notification contains a significant error or omission, the Head of Internal Audit shall communicate the corrected information to all those who received the original notification.		
2430	Use of the phrase "Complies with International Standards for the Professional Application of Internal Audit"	The report that the projects were carried out in compliance with the International Standards for the Professional Application of Internal Audit is appropriate only if this is supported by the results of the evaluation of the assurance and quality improvement programme.		
2431	Disclosure of Project Non-Compliance	Where non-compliance with the Code of Ethics or Standards affects a particular project, the disclosure of the results must disclose: <ul style="list-style-type: none"> • Principle(s) or rule(s) of conduct of the Code of Ethics or of the Standards with which full compliance has not occurred. • Reason(s) of non-compliance, and • The impact of non-compliance on the project and the notified results of the project. 		
2440	Dissemination of Project Results	The Head of Internal Audit shall communicate the results of the project to the appropriate parties.		
2450	Overall Opinion	When an overall opinion is delivered, it must consider the strategies, objectives and risks of the organisation and the expectations of senior management, the Board and other stakeholders. The overall opinion must be supported by sufficient, reliable, relevant, and useful information.		
2500	Track Progress	The Head of Internal Audit should establish and maintain a system for monitoring the settlement of results communicated to management.		

2600	Notification of Risk Acceptance	When the head of internal audit concludes that the administration has accepted a degree of risk that the agency cannot respond to, then the head of internal audit must discuss the matter with the administration. If the risk issue is not resolved, the head of internal audit must report the matter to the board for settlement.		
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